South Carolina

**Credit Name:** Credit for Child and Dependent Care

**Type of Provision:** Nonrefundable Tax Credit

**Calculation:** 7 percent of the expenses claimed for the federal Child and Dependent Care Tax Credit, except that only expenses that are “directly attributable to items of South Carolina gross income” qualify

**Maximum Value:**
- One Child/Dependent: $210
- Two or More Children/Dependents: $420

**Income Cutoff:** none

**Family Illustrations:**

A woman who has an income of $30,000, is raising an infant on her own, and pays $4,797 in child care expenses could receive a maximum credit of $57, depending on her tax liability.  

A married couple with both parents employed full-time in low-wage jobs (paying $11.50/hour) that has an income of $47,840, has an infant and a four-year-old, and pays $9,328 in child care expenses, could receive a maximum credit of $84, depending on their tax liability.

*Access the methodology for these calculations here.*

**While there are numerous options to improve this provision, impactful changes would include:**

- Making the credit refundable so that low-income families with little or no state income tax liability can take full advantage of the credit.
- Increasing the percentage of expenses used to calculate the state credit to increase the maximum value of the credit and provide more help to families.

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1  Married filing separately tax filers cannot claim this credit, but married filing jointly, head of household, or single tax filers can.
2  Because the credit is nonrefundable, the credit amount cannot exceed the family’s state tax liability. For example, if the mother in the first illustration has a tax liability of $50, then she could only receive a credit of $50.